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MEMORANDUM

TO: Potential Vendors

RE: Wireless Telephone Service

The Commonwealth of Virginia maintains through the Department of Information Technology (DIT), a statewide contract for Wireless telephone service (henceforth referred to as "Cellular"). This contract is currently held by Alltel Corporation.

DIT, by code, is responsible for establishing and administering all telecommunications services contracts. The current statewide contract will expire in June of 2002.

The Department anticipates the issuance of a solicitation to provide a term contract for continuance of required services.

DIT wishes to give potential vendors an opportunity to comment and to pursue the partnerships and internal approvals necessary to prepare a proposal that meets the needs of the Commonwealth. To that end, this document identifies the Commonwealth's requirements and "wish list". These items will be the basis for development of a solicitation document. Vendors should note that service does not have to be provided to the Commonwealth based on tariffs.

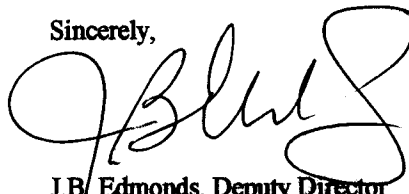
Please be aware that some information contained herein may be mandatory, some desirable and some items may not be included at all in the final solicitation and are listed herein to stimulate creativity among the vendor community.

Vendors are hereby given until September 6, 2001 to submit written comments to this document. Comments should address the technology and options which the vendor believes the state should pursue in a subsequent contract as mandatory or desirable. All written comments, where noted, will be treated as proprietary and should be delivered to:

J. B. Edmonds
Dept. of Information Technology
Lobby Floor
110 S. 7th Street
Richmond, Va. 23219

Between September 6, 2001 and the date of initial draft of the solicitation document, DIT will schedule a group or series of individual meetings to discuss the issues or requirements with vendors which have responded with substantive information and ideas that DIT would like to pursue further. Not all respondees will be contacted for such meetings. After preparation of the draft has begun, DIT will not entertain any additional input.

Sincerely,

A handwritten signature in black ink, appearing to read "J.B. Edmonds", with a large, stylized flourish extending from the end of the signature.

J.B. Edmonds, Deputy Director
Acquisition Services Division

Commonwealth of Virginia Wireless Services

Current Environment

- The current contract provides cellular phone service statewide through a consortium of four carriers, administered by Alltel. All ordering is centralized at DIT with orders electronically submitted to Alltel
- Alltel submits a single, magnetic media bill monthly for all users, which DIT pays and is then responsible for rebilling and collections.
- The contract is utilized by all state agencies, institutions of higher education and localities. A distribution between carriers is listed below.

	Alltel	US Cellular	VA Cellular	Cellular One	Total
Lines	5882	470	236	1448	8270
Peak Minutes	520,356	52,867	9569	148972	731,764
Off-Peak Minutes	83465	10970	2,609	19,375	116,419
Peak Roaming	91587	3,314	4,151	11,714	110,766
Off-Peak Roaming	13,911	343	238	1661	16,153

The Wish List

Service

- A contract with a single point of contact for all service statewide. This vendor will coordinate availability of service statewide with multiple carriers and handle all billing and problem resolution issues.
- Service may be Analog, CDMA, TDMA, PCS, GSM or combinations thereof.
- A consortium of multiple carriers that can provide coverage of 100% of the geographic area of the Commonwealth with over 90% of users able to obtain service that provides access via a local number from their office location. Please Note that Commonwealth users are not tied to the major highways. State agencies and local users have offices in every county and city of the state and its agents operate in the most rural areas of the state. Remote, rural coverage areas are critical.
- Continuity of service to include handoff agreements between all participating carriers in the consortium and equipment that covers all participating carrier's frequencies and modes of operation.
- Number portability.
- Ability to utilize existing equipment (Analog and CDMA).
- A speedy and smooth transition of an estimated 10,000 phones and numbers, if required.
- Digital service, where available, which would include services normally provided as part of digital plans, including but not limited to :
 - Caller ID
 - Call Forwarding
 - Short Message Service
 - Paging
 - Internet Access and other Data Applications

Billing

The Department of Information Technology currently bills customers based on the detail call data provided by the carrier. Call detail is a required element of the contract and all vendors should note limitations of their call detail. DIT will continue to bill customers in a manner consistent with rate plans customers select from those DIT makes available. DIT will design these plans, with vendor input, based on the selected vendors plan offerings. DIT will not pay the carrier for calls (regardless of origin) over 90 days old that appear on transmittal tapes.

- The submission of a **single, electronic bill**, for all participating carriers, which contains detail call record information, with no calls billed over 90 days old.
- Calls billed in increments of less than one minute.
- Call Data includes;
 - Originator's 10-digit phone number (in-bound and out-bound)
 - 10-digit destination number (in-bound and out-bound)
 - Calling location (Tower Location, City, County, State, etc)
 - Destination location
 - Time of call beginning
 - Duration
 - Long distance minutes and charges, if applicable
 - Airtime minutes and charges, if applicable
- Payment will be made to single entity, contractually responsible for payment.

Rate Plans

The Department of Information Technology is a telecommunications service provider. As such it aggregates services and purchase such service at a volume discount or bulk rate, re-prices the services and re-sells the service to state agencies and other public bodies in the Commonwealth. As a result, the Commonwealth insists that, due to its volume, the state contract get the best price the vendor a vendor offers to any government customer in the Commonwealth and any commercial customer with a comparable number of activated lines and minutes. In return, the vendor 1) receives orders from a single organization, 2) saves printing, postage and time by submitting only one bill for payment, 3) deals with only one billing and reconciliation office, 4) consolidates government marketing to a single organization, 5) gets paid promptly and 6) does not have to deal with follow-up collection activities. Therefore:

- Rate plans should be simple, cost effective and easy to reconcile and re-bill.
- The number of plans should be kept to an absolute minimum number of plans.
- Rate plans which can be clearly shown to be superior to the retail, advertised and promotional rate plans of the company and their competitors.
- A plan should provide the Commonwealth user with a home area (or virtual home area) that encompasses the entire geographic area of the Commonwealth and provides a method for the user to have a number local to their office or work location, regardless of that location.
- A plan could be proposed that, through a simple formula, provides for DIT to pay a single flat monthly dollar amount to the vendor for service, regardless of the number of phones or the amount of actual airtime utilized (Bulk Rate Plan). Please note that call detail would still be required.
- A plan could provide a user unlimited airtime at a flat monthly price, regardless of location and travel (no-Roam or Long Distance). Limitations must be noted.
- If the vendor charges for long distance, the Commonwealth should be able to direct all LD traffic to the Commonwealth's long distance provider (currently MCI) if the carrier's rate is higher.
- A plan should not include service connection fees
- A plan with no minimum length of service for the activated number
- A plan should not include inter-connect fees (land-line or otherwise).
- Free mobile to mobile calling within the same carrier's footprint.
- A plan should not include taxes and other government fees not applicable to public bodies.
- Plans where basic rates cover all offered options. The Commonwealth is not interested in a laundry list of separately priced services. Vendors should give thought to the services included vs. attractive rates.
- A simple, attractive, unique service rate plan for students, faculty, staff and employees, not contractually a part of the state contract, but would be offered and administered by the vendor to qualifying users with a credit to the Commonwealth's bill, based on charges or usage, used to offset contract charges.

Equipment

Equipment would be an incidental to the contract, however the vendor should provide a mechanism and pricing, under the contract, to acquire/purchase the required devices and accessories. The purchase of hardware would

normally be done at the agency level with service coordination, programming and delivery provided by the prime contractor. Any alternatives that would place units in end-users hands quicker without jeopardizing the order process would be attractive.

- Equipment should operate on all carriers that are a part of the contract consortium.
- Equipment should provide service universally regardless of travel location.
- Equipment should include models with enhanced services such as Internet Browser, PDAs, etc.
- Availability of handheld, transportable and vehicular units.
- Ability to activate and utilize analog, high power (3 watt) units regardless of service location.
- "No-Charge" equipment for new activations or to replace current equipment, not compatible with the new contract arrangements.
- Free basic accessories such as vehicular chargers, cases, etc.
- Equipment refresh options during the contract for technology changes, etc.